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CERTIFIED HALL

Ladies and Gentleman:

We have considered your application for recognition of exemption from Federal income tax as an organization described in Section 501(c)(3) of the Internal Revenue Code.

The data submitted discloses you were organized on to raise funds for the sole benefit of who suffered a catastrophic injury on the funds were used to pay medical expenses, insurance expenses and to purchase a vehicle for his use. At the present time the organization is idle and has no planned activities. Funds remaining are to be used by for living expenses not normally covered by insurance or other means.

Section 501(c)(3) of the Code provides for the exemption of organizations which are organized and operated exclusively for charitable, religious, and educational purposes, no part of the net earnings of which inures to the benefit of any private shareholder or individual.

Section 1.501(c)(3)-1(a)(1) of the income tax regulations states that in order to be exempt as an organization described in section 501(c)(3), an organization must be both organized and operated exclusively for one or more of the purposes specified in the section. If an organization does not meet either the organizational or operational test, it is not exempt.

Section 1.501(a)-1(c) of the regulations defines private shareholder or individuals as persons having private interest in the activities of the organization.

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we than 1.50 lines, experienced in the regulations provide that an examination is a temperated confusional purpose unless at serves a public rather than a private purpose pulses at serves a public rather than a private purpose.

In Revenue Ruling 37-25, 1977 C.B. It has transportation was provided for senior critizens and handicapped persons in a community where public transportation was unavailable or inadequate. It was held that providing the elderly and handicapped with necessary transportation within the community is an activity directed towards meeting the special need of these charitable classes of individuals. The organization was providing relief for the distressed, a charitable purpose.

In Revenue Ruling 69-175, 1969-1 C.B. 149, a non-profit organization formed by parents of pupils attending a private school that provides school bus transportation for the members' children was held to serve a private rather than a public interest, and did not qualify for exemption.

Similary, Revenue Ruling 55-311, 1955-1 C.B. page 292 denied exemption to a vanpool formed for the convenience of its members for transportation to and from work.

Revenue Ruling 73-349, 1973 CB-2, held that an organization formed to purchase groceries for its membership at the lowest possible prices on a cooperative basis is not exempt from tax as a social welfare organization under Section 501(c)(4) of the Code.

The ruling further stated that the organization is operated primarily for the private benefit of its members.

On the basis of the evidence submitted you are serving a private interest and not a public benefit. Therefore, you do not qualify for tax exemption under section 501(c)(3) of the Code.

In addition, your creative document, the Constitution does not meet the organizational test under Section 501(c)(3) of the Code since:

- (a) The Furpose provision of your Constitution is not Charitable within the meaning of section 501(c)(3) of the Code.
- (b) Your Constitution does not provide for a dedication of assets upon dissolution as required by the regulations.

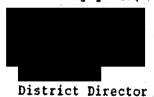
Contributions made to your organization are not deductible.

You are therefore required to tile Federal income tax returns on Form 1140. Also the appropriate state critical will be routinely notified on this action in accordance with section old4(r) of the Cole.

If you do not accept our finding, we recommend that you request for a conference with a member of our Regional Office of Appeals. Your request for a conference should include a written appeal giving the facts, law, and any other information to support your position as explained in the enclosed Publication 892. You will then be contacted to arrange a date for a conference. The conference may be held at the Regional Office, or if you request, at any mutually convenient District office. If we do not hear from you within 30 days of the date of this letter, this determination will become final.

If you do not protest this proposed determination in a timely manner, it will be considered by the Internal Revenue Service as a failure to exhaust available administrative remedies. Section 7428(b)(2) of the Internal Revenue Code provides in part that, "A declaratory judgement or decree under this Section shall not be issued in any proceeding unless the Tax Court, the Court of Claims, or the district court of the United States for the District of Columbia determines that the organization involved has exhausted administrative remedies available to it within the Internal Revenue Service."

Sincerely yours,



Enclosure: Publication 892

cc. State Attorney General